

281—41.203 (256B,34CFR300) Maintenance of effort.

41.203(1) General. Except as provided in rules 281—41.204(256B,34CFR300) and 281—41.205(256B,34CFR300), funds provided to an AEA or LEA under Part B of the Act must not be used to reduce the level of expenditures for the education of children with disabilities made by the AEA or LEA from local funds below the level of those expenditures for the preceding fiscal year.

41.203(2) Standard.

a. Except as provided in 41.203(2) “*b*,” the SEA must determine that an AEA or LEA complies with subrule 41.203(1) for purposes of establishing the LEA’s eligibility for an award for a fiscal year if the AEA or LEA budgets, for the education of children with disabilities, at least the same total or per capita amount from either of the following sources as the LEA spent for that purpose from the same source for the most recent prior year for which information is available:

- (1) Local funds only.
- (2) The combination of state and local funds.

b. An AEA or LEA that relies on 41.203(2) “*a*”(1) for any fiscal year must ensure that the amount of local funds it budgets for the education of children with disabilities in that year is at least the same, either in total or per capita, as the amount it spent for that purpose in the most recent fiscal year for which information is available and the standard in 41.203(2) “*a*”(1) was used to establish its compliance with this rule.

c. The SEA may not consider any expenditures made from funds provided by the federal government for which the SEA is required to account to the federal government or for which the AEA or LEA is required to account to the federal government directly or through the SEA in determining an AEA’s or LEA’s compliance with the requirement in subrule 41.203(1).